



# Board of Directors Finance Committee

April 10, 2025

# Finance Committee Meeting Agenda

- A. Call to Order and Introductions
- B. Public Comment
- C. Vote: November 14, 2024 Meeting Minutes
- D. FY 2025 - 3<sup>rd</sup> Quarter Budget Report – Operating (Vote)
- E. Investment Report
- F. FY 2026 – Proposed Operating Budget (Vote)
- G. Adjournment

*Mission: To decrease the number of uninsured residents, improve the quality of healthcare, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health coverage that give them the best value.*

*Vision: Provide Connecticut residents with access to the most equitable, simple and affordable health insurance products to foster healthier communities.*

# Public Comment

# Vote

*-November 14, 2024 Meeting Minutes*

# Agenda

## Fiscal Year 2025 Q3 Budget

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## Fiscal Year 2026 Proposed Budget

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# FY 2025 Budget vs. Actuals Summary

## Operating Budget - FY 2025 Q3 Fiscal Year-to-Date

	FY2025 Budget	Actuals	Variance
AHCT	\$24,776,084	\$23,460,484	\$ (1,315,600)
DSS Shared Cost	15,337,369	15,860,121	522,753
<b>Total</b>	<b>\$40,113,452</b>	<b>\$39,320,605</b>	<b>\$ (792,847)</b>


# FY 2025 Budget vs. Actuals

OPERATING BUDGET - July 1, 2024 to Mar 31, 2024		
Budget	Actuals	Variance

**Revenues**

Grants	\$ 50,000	\$ -	\$ (50,000)	
Interest Income	559,999	882,212	322,213	Interest rates remained steady.
Other Income	22,338	19,213	(3,125)	
Marketplace Assessments	27,027,500	27,197,730	170,230	Assessment Higher than Projected.
<b>Total Revenue</b>	<b>\$ 27,659,837</b>	<b>\$ 28,099,155</b>	<b>\$ 439,318</b>	

**Expenses**

Salaries	\$ 6,611,632	\$ 6,521,413	\$ (90,220)	Variances due to timing. 
Fringe Benefits	3,003,736	2,957,689	(46,047)	
Temporary Staffing	482,180	350,329	(131,851)	
Contractual	10,211,575	9,672,320	(539,255)	
Equipment and Maintenance	3,193,511	2,545,658	(647,853)	
IT Enhancements	626,661	794,406	167,746	
Supplies	11,629	5,571	(6,058)	
Travel	49,791	39,375	(10,416)	
Other Administrative	585,369	573,723	(11,646)	
<b>Total Operating Expenses</b>	<b>\$ 24,776,084</b>	<b>\$ 23,460,484</b>	<b>\$ (1,315,600)</b>	

Costs Shared with DSS	\$ 15,337,369	\$ 15,860,121	\$ 522,753
<b>AHCT and DSS Total Expenses</b>	<b>\$ 40,113,452</b>	<b>\$ 39,320,605</b>	<b>\$ (792,847)</b>

# Full Year 2025 Budget after 3<sup>rd</sup> Quarter – Summary

	<b>FY2025 Adopted Budget</b>	<b>FY2025 Adjusted Budget</b>	<b>YoY Change</b>
AHCT	\$ 37,178,117	\$ 36,930,149	\$ (247,969)
DSS Shared Cost	20,486,273	20,486,273	-
<b>Total</b>	<b>\$ 57,664,390</b>	<b>\$ 57,416,421</b>	<b>\$ (247,969)</b>



# Full Year 2025 Budget after 3<sup>rd</sup> Quarter

	FY2025 Adopted Budget	FY2025 Adjusted Budget	Variance (Q3 vs Adopted)	
<b>Revenue</b>				
Grants	\$ 100,000	\$ 205,355	\$ 105,355	Awarded Cybersecurity Grant.
Interest Income	693,333	1,100,796	407,463	Interest rates have remained steady.
Other Income	29,784	27,645	(2,139)	
Marketplace Assessments	36,355,000	36,599,146	244,146	Calendar Year 2025 Assessment higher than projected.
<b>Total Revenue</b>	<b>\$ 37,178,117</b>	<b>\$ 37,932,942</b>	<b>\$ 754,825</b>	

<b>Budgeted Expenses</b>				
Salaries	\$ 8,983,833	\$ 8,961,245	\$ (22,588)	Vacancy Savings.
Fringe Benefits	4,023,200	3,968,377	(54,823)	Vacancy Savings.
Temporary Staffing	754,524	750,547	(3,977)	
Contractual	14,443,870	14,022,324	(421,545)	Some contractual work moved to IT Enhancements.
Equipment and Maintenance	5,171,326	5,223,524	52,198	Increase in IT System Maintenance.
IT Enhancements	2,468,213	2,665,673	197,459	Increase due to ICHRA Project Work.
Supplies	15,944	15,944	-	
Travel	100,000	100,000	-	
Other Administrative	1,217,207	1,222,514	5,307	
<b>Total Operating Expenses</b>	<b>\$ 37,178,117</b>	<b>\$ 36,930,149</b>	<b>\$ (247,969)</b>	
Costs Shared with DSS	\$ 20,486,273	\$ 20,486,273	-	
<b>AHCT and DSS Total Expenses</b>	<b>\$ 57,664,390</b>	<b>\$ 57,416,421</b>	<b>\$ (247,969)</b>	

# FY 2025 Q3 Budget – Shared Cost with Department of Social Services (DSS)

Budget Category	DSS SHARED COST BUDGET		
	FY 2025 Adopted Budget	FY 2025 Adjusted Budget	Variance
Temporary Staffing	\$696,443	\$696,443	-
IT Maintenance & Development	4,463,390	4,463,390	-
Operations	15,056,349	15,056,349	-
DSS (100%)	270,091	270,091	(0)

# Projects Funded from Operating Budget\*

## Carry-forward projects from FY 2024 to FY 2025

- Projects were initiated and funded in FY 2024 but not completed by the end of the fiscal year.

FY 2024 On-going Project Plan Update							
Project Name	DSS Allocation	Total Project Budget	FY 2024 Actuals	FY 2024 Carry-forward FY 2025	FY 2025 YTD Actuals	Remaining Balance	Status
Resources to assist with IRS/CMS changes to compliance requirements	None	\$ 273,760	\$ 58,667	\$ 215,093	\$ 137,500	\$ 77,593	In Progress
Sytem Enhancements	None	2,375,000	374,063	2,000,938	1,609,063	391,875	In Progress
Special Audience Marketing	None	156,903	-	156,903	74,534	82,369	In Progress
ICHRA <sup>1</sup>	None	250,000	175,692	74,308	74,000	308	In Progress
		<b>\$ 3,055,663</b>	<b>\$ 608,421</b>	<b>\$2,447,242</b>	<b>\$ 1,895,096</b>	<b>\$ 552,145</b>	

<sup>1</sup> This represents the portion of ICHRA project that was Funded and committed from FY2024 Contracts and carried over into FY25

# Vote

# Investment Report – Summary

- Objective for AHCT exchange funds is obtaining the maximum rate of return while preserving the principal and providing immediate liquidity.
- AHCT invests in the State of Connecticut Treasurer’s Short-Term Investment Fund (STIF).
- The STIF is available for use by the State’s funds and agencies, public authorities and municipalities and other political subdivisions of the State.
- State statutes authorized these pooled investment funds to be invested in United States Government and agency obligations, United States Postal Service obligations, certificates of deposit, commercial paper, corporate bonds, savings accounts, banker acceptances, student loans, and repurchase agreements.
- These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board and are regulated under the State statutes and subject to annual audit by the Auditors of Public Accounts.

# Investment Report\*

## Investment of Exchange Funds

- In FY2025 Funds were invested in STIF (Short-Term Investment Fund)
- See attached Report

State Exchange Funds	FY2025 March YTD Actuals
STIF (Short-Term Investment Fund) interest earned	\$ 882,212

## 401a Management

- Employer contributions of 401a retirement plan are invested through MissionSquare.
- A report from MissionSquare is attached that provides a list of investment options for employees for their 401a retirement accounts.

## 457b Management

- Employee contributions of 457b retirement plan are invested through Empower.
- A report from Empower is attached that provides a list of investment options for employees for their 457b retirement accounts.

- Access Health CT investment portfolio is in compliance with our Investment Policy.
- Access Health CT is able to meet its expenditure requirements for the next 9 months.

# FY 2026 Proposed Budget

## **Focused on 3 Strategic Initiatives**

Technology Investments | Outreach | Health Disparities

### **To Support our Mission:**

To decrease the number of uninsured residents, improve the quality of healthcare and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health coverage that gives them the best value.

# FY 2026 Proposed Budget – Summary

	<b>FY2025 Adopted Budget</b>	<b>FY2026 Proposed Budget</b>	<b>YoY Change</b>
AHCT	\$ 37,178,117	\$ 41,582,293	\$ 4,404,176
DSS Shared Cost	20,486,273	21,000,000	513,727
<b>Total</b>	<b>\$ 57,664,390</b>	<b>\$ 62,582,293</b>	<b>\$ 4,917,903</b>



# FY 2026 Proposed Budget

	FY2025 Adopted Budget	FY2026 Proposed Budget	Variance (Q3 vs Adopted)	
<b>Revenue</b>				
Grants	\$ 100,000	\$ 250,000	\$ 150,000	
Interest Income	693,333	749,500	56,167	Interest rates expected to remain steady.
Other Income	29,784	27,793	(1,991)	Changes in Vendors Credit Card acceptances.
Marketplace Assessments	36,355,000	40,555,000	4,200,000	Higher enrollment in Individual Health & Dental.
<b>Total Revenue</b>	<b>\$ 37,178,117</b>	<b>\$ 41,582,293</b>	<b>\$ 4,404,176</b>	
<b>Budgeted Expenses</b>				
Salaries	\$ 8,983,833	\$ 9,499,526	\$ 515,693	Budgeted 3% Merit Increases and bringing in-house contracted work.
Fringe Benefits	4,023,200	4,285,015	261,815	
Temporary Staffing	754,524	754,524	-	
Contractual	14,443,869	14,665,673	221,803	Increase in ICHRA Marketing & CT DRS Check-the-Box mailing.
Equipment and Maintenance	5,171,326	5,632,230	460,904	Increase due to ICHRA System maintenance.
IT Enhancements	2,468,213	5,351,474	2,883,261	Investment in a new enrollment System.
Supplies	15,944	15,944	-	
Travel	100,000	125,000	25,000	Increased Cost of Lodging and Transportation.
Other Administrative	1,217,207	1,252,908	35,700	Rent, Insurance, Utilities, Staff development and other general expenses.
<b>Total Operating Expenses</b>	<b>\$ 37,178,117</b>	<b>\$ 41,582,293</b>	<b>\$ 4,404,176</b>	
Costs Shared with DSS	\$ 20,486,273	\$ 21,000,000	513,727	
<b>AHCT and DSS Total Expenses</b>	<b>\$ 57,664,390</b>	<b>\$ 62,582,293</b>	<b>\$ 4,917,903</b>	

# FY 2026 Proposed Budget – Shared Cost with Department of Social Services (DSS)

Budget Category	DSS SHARED COST BUDGET		
	FY 2025 Adopted Budget	FY 2026 Proposed Budget	Variance
Temporary Staffing	\$696,443	\$696,443	-
IT Maintenance & Development	4,463,390	4,719,806	256,416
Operations	15,056,349	15,313,660	257,311
DSS (100%)	270,091	270,091	-
<b>Total - DSS Shared Budget</b>	<b>\$20,486,273</b>	<b>\$21,000,000</b>	<b>\$ 513,727</b>

# FY 2026 Projected Reserve Fund Balance

AHCT Fiscal 2026 year-end Reserve balance is projected at \$19.5 million.

<b><u>Reserve As of June 30, 2024 (Audited)</u></b>	\$ 20,977,924
Committed Project Expenses for FY2024	(2,447,242)
<b>Subtotal after Committed Project Expenses</b>	<b><u>18,530,682</u></b>
Add: Projected FY2025 Surplus	1,002,794
<b>Projection at June 30, 2026 (Unaudited)</b>	<b><u>\$ 19,533,476</u></b>

**Months of  
Operating  
Funding**

6.0

6.3

# Vote

# Adjournment